

OPINION LEADERS - OPPORTUNITY OR THREAT FOR THE COMPANY?

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ABSTRACT

Contemporary business conditions set up a new complex problem for the companies – a dramatic decline in the return on investment of different types of promotion activities. Consumers on the global market are showing increasing levels of resistance and lack of confidence in a growing number of marketing messages sent to them by companies, mostly because those messages communicate only on the positive and often embellished aspects of the products and services.

Consumers wishing to reduce the risk of wrong purchase decisions are turning to other consumers in whose advice and attitudes they have confidence, and thus get a true picture of the market situation. Those consumers are very specific individuals recognized as opinion leaders in marketing literature. In this way, the company's control on consumer purchase decision is reduced significantly, thereby increasing the overall risk of doing business.

The paper aims to highlight the importance of the research of consumer opinion leaders in marketing theory and practice, to identify their characteristics and behaviour, and to point out possible ways of their identification. The empirical research will test the hypothesis of the existence of the gender impact on consumer display of opinion leadership in the Republic of Serbia.

KEY WORDS: consumer, opinion leaders, purchase decision, gender.

1. INTRODUCTION

In its analysis of market developments and laws, marketing theory has directed its focus predominantly to studying interactions between businesses participating in competition, and to studying measuring interaction between businesses and consumers. For a long time, there was a noticeable absence of any comparable intentions and efforts for conceptualization and systematization of interactions between consumers themselves, in relation to choices and decisions they make in purchasing. Typical thinking pattern and conviction could be formed into the opinion that consumers make their choices and purchase decisions based on the influences and offered alternatives coming exclusively from business producing and offering goods and services on the market. Interactions between consumers themselves were completely set aside and did not receive any significance at all; studies into this direction were left to sociologists and psychologists, and were regarded only as periodical deviations from set rules.

The actual business environment and marketing environment implies that the situation has changed diametrically – the economic, especially marketing literature, theory and practice devote an increasing amount of attention and effort to contacts and relations established between consumers on the market. It is generally known

that interactions between consumers take the dominant position in most studies, and that individual consumer behaviour on the market, their choices and decisions to purchase and use various products and services are most determined by these interactions.

Researchers and business people in almost all industries without an exception often point out that satisfied customers are the best sellers of products and services on the market. The reason for this belief lies in the fact that the individual, the current consumers, disseminating information on a business and its offer of products and services through word of mouth communication, has a high level of credibility and trust, and consequently influence, in the eyes of other potential consumers. For potential buyers i.e. consumers, it is very important that these individuals in most cases already have the experience of purchase and use of products and services that are the subject of purchase decision, but also because their word and suggestion, due to its sincerity, bears a much more greater specific weight than any other commercial advertisement. They have no direct material interest in the sale and success of a business' product and service on the market. Potential customers see these specific individuals as the most reliable way of reducing risk related to the purchase of products and services, and marketing science identifies them as opinion leaders.

2. LITERATURE REVIEW

Individual consumers, possessed of a higher level of knowledge about products and services, and the producers and suppliers thereof, are referred to as opinion leaders.

The concept of opinion leader dates back to the 1940s and originates from research for the needs of political analyses, which revealed that the political public opinion is influenced not only by mass media but, more often, individuals and interpersonal communication they generate based on information obtained from mass media, which they transfer further to other voters who are not so active or informed. Individuals who are the first to gather information intensively create their attitudes and opinions, and transfer them further to other individuals thus influencing their attitudes and opinion, are referred to as opinion leaders.

Opinion leaders emerge and realize their role in situations when other consumers are looking for products and services to buy, which they believe will meet their expectations in the sense of satisfying needs and wishes, when possibly trying and evaluating these products and services, before they make a decision to purchase them. It is a personal influence that consumers make one on another through interpersonal communication.

The concept of opinion leadership was dealt with and significantly contributed by Schiffman and Kanuk (2004, p.500), who identify it essentially with word of mouth communication and define it as a process in which an individual – an opinion leader – informally influences the attitudes and actions of other individuals, whom they call opinion seekers and recipients. The authors characterise this type of relationship and interaction between consumers and non-commercial and independent, and it can be carried out by means of various, increasingly electronic media, rather than merely by face-to-face contact.

Hanna and Wozniak (2009, p. 463) point out that the personal influence that opinion leaders can have on other consumers is characteristic of situations in which there are strong social connections between information givers and recipients, and when the products in question feature as some sort of status symbols in the observed environment. The personal opinion of opinion leaders predominantly occurs in the following situations:

When consumers

- do not have sufficient knowledge and information on products and services,
- do not have an objective criterion for the assessment of alternative brands,
- are emotionally related to a product or service,
- are strongly attached for the person providing information, i.e. opinion leader,
- are becoming members of various reference groups,

- are making significant changes in their lives and acquiring new relationships.

When products and services are

- new
- expensive
- without high purchase frequency
- very important
- very complex
- difficult to assess real value
- possess an expressed value,
- reflect personal taste.

Solomon, Bamossy and Askegaard (2002) view opinion leaders as persons – customers – consumers who are the first to buy and/or use a certain product and/or service, and can be monomorphists – specialists in a specific area – or polymorphists – specialists in several areas. Many consumers take opinion leaders as very valuable information sources for many different reasons (p.323)

- opinion leaders are mostly technically competent and very persuasive, for they possess expert knowledge of the product or service;
- opinion leaders underwent the process of research, analysis, evaluation and synthesis of information about the desired product and service earlier, and unlike the commercial means of persuading the target auditorium they are not defending the interest of a business, which affects the rapid growth of their credibility in the eyes of potential customers consumers;
- opinion leaders always strive to be socially active and highly connected with all the members of their environment, even in the formal sense, which gives them legitimate power based on the value of their social status;
- opinion leaders strive to be very similar to other consumers, in the sense of their beliefs and value system, which also gives them a high level of referential power;
- in the eyes of potential consumers, opinion leaders are the first ones to buy new products and services, are the bravest and take the highest degree of risk in purchase, which reduces the level of uncertainty and insecurity in their followers in purchase;
- potential consumers know very well that all marketing activities of a company are focused only on the positive aspects of their offer, whereas all possible negative features are pushed into the background; this situation does not exist in opinion leaders and this is why their word is far more significant for potential consumers.

Rather than the term opinion leader, McConnel and Huba (2007) use the term consumer evangelist for consumers who speak out and advise others what to buy, where to buy, why to buy, who to buy from. The term itself is associated with actual evangelists –believers who spread the living word of their faith, Christianity, teaching others religion based on strong emotional links, love of others and strong convictions. Similarly, consumers who help their environment in shopping do not do this for any material interest, but rather out of good and noble intention, which places them into the category of consumer evangelists.

Salomon (2011) makes a distinction between opinion leaders and consumers he calls market mavens, who are actively involved in the transmission of information that a business emits without their correction by their experience or opinion. Market mavens are most often not innovators who are the first to buy a certain product or service on the market; this is done by opinion leaders. Mavens are often not even that interested for certain categories of products and services; they simply enjoy the shopping process and like to be informed about all developments on the market.

Chakravarthy and Prasad (2011) direct the focus of their research on the analysis of the influence of opinion leaders on other consumers' purchase decision. The authors argue that the interpersonal impact of opinion leaders also occurs in final consumers who make the decision on the purchase of products and services for their own needs or as a gift to others, also in industrial consumers, but likewise in non-profit organizations. Opinion leaders determine and shape opinion seekers' purchasing decision through interpersonal communication in the form of advice and recommendations. Opinion leadership is opinion leaders' ability to occasionally informally interpersonally influence the attitudes and behaviours of other consumers, in the manner they want. Opinion leaders bridge the communication and information gap existing between businesses and consumers, transmitting adapted businesses' messages.

Meiners, Scwatring and Seeberger (2010) point out that many businesses set up a position, i.e. operative function dealing with such consumers.

Carl (2006) examines the foundations of interpersonal communication between consumers and possible directions of action of businesses on opinion leaders and concludes that opinion leaders are friends, relatives, personal emotional partners generating interpersonal communication on daily an general topics, and thus enable other consumers in their environment to acquire the sense of their life and being, of their role in it, and on correctness of their opinions.

Nisbet and Kotcher (2009) investigate the engagement and impact of opinion leaders in situations that are not related to purchase decision, but rather on questions that have a broader social sense, and point out that solving this type of problems – e.g. climate changes – is impossible without the active participation of opinion leaders in the campaign.

One of opinion leaders' key qualities is that they are very good listeners of not only business, but, much more, of other consumers and their fears, dilemmas, or delights. Opinion leaders must be integrated in businesses' marketing strategies and they enjoy it, and at the same time represent the source of the business' feedback from the market, whereby the business gains invaluable information on the success of their marketing activities, and ideas for new products and general improvement of business operations.

Ignoring this reality also bears the side of coin related to the influence of opinion leaders which is not affirmative for the business, but on the contrary, extremely negative, whereby the business' opportunity is turned into threat.

3. RESEARCH METHODOLOGY AND DISCUSSION

The survey conducted in order to confirm or reject the hypotheses set in the study is a segment of a complex project of research into the phenomenon of the impact of opinion leaders to consumer word-of-mouth communication on purchase decisions in the Republic of Serbia. The study uses a research method in the form of structured personal communication, i.e. questionnaire, whose dissemination and response retrieval was conducted through the Internet – 80.2%, and personally – 19.8% respondents. The survey aimed at accomplishing the set research goals and confirming or rejecting the defined hypotheses was conducted from March until September 2015 on a defined stratified sample of 1009 respondents. Stratification was performed by gender, respondents' age and education levels. The data gathered by means of the questionnaire were processed by appropriate mathematical and statistical methods, with the application of statistical SPSS software, as follows:

- Parametric tests:
 - Normal distribution – testing the hypothetical proportion value of the basic set, based on the sample;
 - Analysis of variance, i.e. ANOVA dispersion analysis with 1,2, and 3 samples:
 - t-test
 - Levene's test

The questions from the questionnaire that was used were tested by Cronbach alpha method. The basic idea behind this method is that the measurement instrument that has more variables can be regarded as reliable if all variables express the same phenomenon but in a slightly different way. Cronbach alpha coefficient is 0.738, pointing to high internal consistency, i.e. questions in the questionnaire are positively mutually correlated.

The scale applied in this research was used by Marić (2014) and consists of 30 items, but, due to paper length limitations imposed by the conference, this article only

presents a number of items, i.e. statements aimed to confirm or reject the defined hypotheses. The items are arranged with a Likert scale of offered reply options.

strongly disagree	disagree	neither agree nor disagree	agree	strongly agree
1	2	3	4	5

H₀: Manifestation of leadership among consumers depends on their gender – male consumers in the Republic of Serbia are more prone to seeing themselves as opinion leaders in comparison with female consumers

Question: *I regard myself as someone whom acquaintances often ask for advice and opinion, i.e. I give shopping advice to others more often than I seek it.*

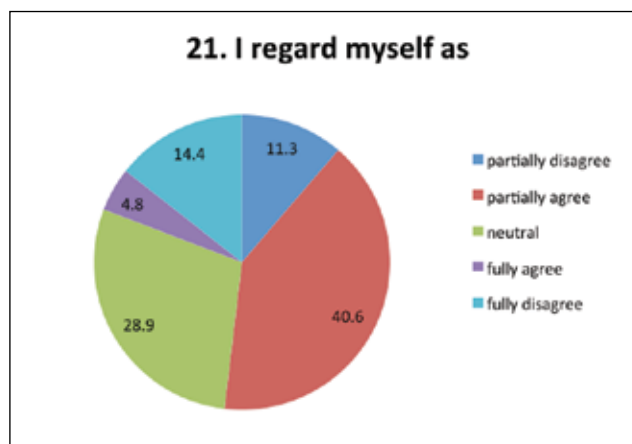
4. COMPARISON OF THE LAWS ON FINANCIAL CONTROL AND AUDITING

Till 31st December 2015 there was valid the Act no.502/2002 Coll. On Financial Control and Internal Audit as amended. From 1st January 2016 Act no 357/2015 on Financial Control and Auditing came into force.

Table 2. Comparison of Laws on Financial Control in 2015 and 2016

	frequency	%
partially disagree	114	11.3
partially agree	410	40.6
neutral	292	28.9
fully agree	48	4.8
fully disagree	145	14.4
total	1009	100.0

Figure 2. Structure of respondents' answers



Although the self-nomination method is a method which is often used in identification of opinion leaders due to its effectiveness and efficiency, it has a significant weakness – the respondents' subjectivity. The results should therefore be taken with reserve, but some conclusions can still be drawn – first of all, most consumers on the territory of the Republic of Serbia regard themselves as opinion leaders, i.e. persons of reputation and trust, approached by other consumers from their environment for advice when shopping. As many as 14.37% consumers are absolutely sure that they are opinion leaders in the eyes of other consumers, and when 40.63% consumers who also regard themselves as opinion leaders with a slight reserve is added to this, the result reads that in a sample of 1009 respondents in Serbia more than a half – 55% of them – see themselves as someone whom other consumers approach for help when making a purchase decision, i.e. as someone who has influence on decision making and purchases of other consumers. It is important to point out the relatively high percentage of respondents who had a neutral attitude (28.54%), whereas the total percentage of respondents who do not regard themselves as opinion leaders is only 16.06%, an extremely small number of whom (4.76%) absolutely do not see themselves as someone who has any influence on other consumers' purchase decision. A part of the explanation of such a distribution of respondents' answers may also lie in the respondents' mentality, where the cult of leaders is fostered through history, so that this position is regarded as something especially important and valuable, so that the desire to obtain this status in the eyes of others is fairly high.

Table 2. Structure of respondents' answer by gender

Question 21		male	%	female	%
valid	fully disagree	10	4%	38	5%
	partially disagree	49	19%	65	9%
	neutral	53	21%	239	32%
	partially agree	104	40%	303	41%
	fully agree	45	16%	103	14%
	total	261	100%	748	100%
	blank	0	0.0	/	0.0
total		261	100%	748	100%

Analysis of variance by the application of t-test for two variables and Levene's test for equality of variances did not establish the existence of statistically highly significant differences between respondents by gender for question 21, as p-value is higher than 0.05, with the probability of 95%.

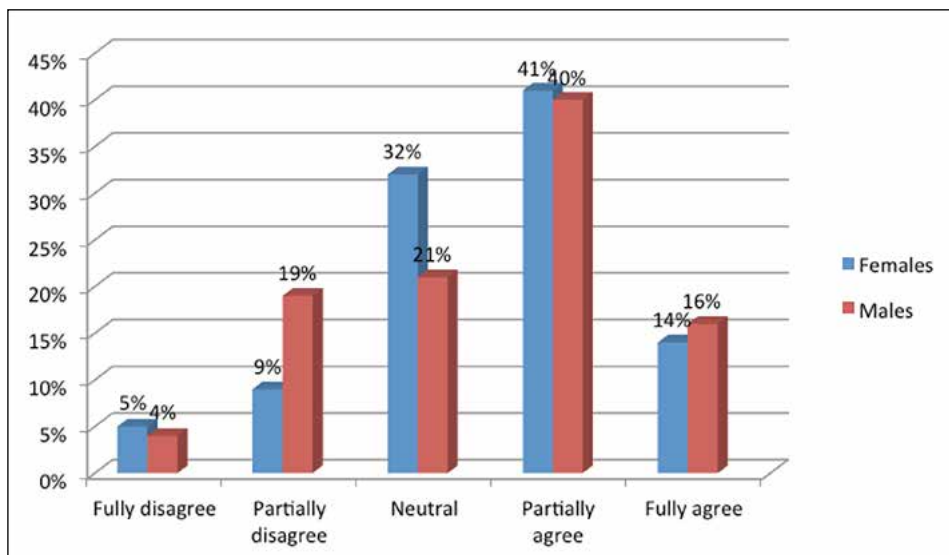
Table 3. ANOVA t-test

	Gender	N	Mean	Std. deviation	Std. error mean
Question 21	male	261	3.49	1.108	.056
	female	748	3.47	1.032	.031

Table 4. Levene’s test for equality of variances

		Levene’s test for equality of variances		t-test for equality of means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference	
									Lower	Upper
Question 21.	Equal variances assumed	9.335	.002	.306	1506	.760	.019	.062	-.103	.141
	Equal variances not assumed			.295	629.885	.768	.019	.064	-.107	.145

Fig. Structure of answers of respondents of both genders



As p-value is higher than 0.05, with the probability of 95% it is concluded that there are no statistically significant differences between male and female respondents as regards question 21, in the sense that the zero hypothesis is accepted and it is concluded that the mean deviations of individual responses from the mean value are equal in men and women when it comes to the statement that respondents regard themselves as opinion leaders, i.e. persons that other consumers approach for advice and help before the former ask this from other consumers.

Identically – by analysis of variance with Levene’s equality test – questions for the studied phenomenon were processed, where statistically significant difference according to gender were identified. Those questions were:

Question: *I disseminate my experience more actively when I am maximally appreciated as a buyer by the seller or*

disappointed by the seller’s attitude than when the product is of maximum or disappointing quality.

Variance analysis by application of t-test for two variables and Levene’s test for equality of variances established the existence of statistically highly significant differences between respondents viewed by gender for question 15. As p-value is smaller than 0.05, it is concluded with the probability of 95% that there are significant differences between male and female respondents regarding question 15 in the sense that zero hypothesis is discarded and more strict criterion is used, starting from the assumption that variances are different in samples. By observing the values of standard deviations it is concluded that mean deviations of individual responses from the mean value are much higher in female respondents in comparison with men when it comes to more active dissemination of personal experience by interpersonal communication when the

respondents are maximally appreciated or disappointed by the attitude of the business and employees than when the performance of the product and service are maximum or disappointing. It is also necessary to point out the fact that a significant number of both male and female respondents were neutral (25.9% and 15.2% respectively) when assessing the statements.

Table 5. Structure of responses to this question of those who identified themselves as opinion leaders in the initial question (answers with 4 and 5, i.e. with partial and full agreement)

		Frequency	%
valid	1.00	21	3.8
	2.00	74	13.3
	3.00	90	16.2
	4.00	177	31.8
	5.00	194	34.9
	Total	556	100.0

Question: *I share my experiences about products and services more with consumers I know such as friends and relatives than with those I do not know.*

Variance analysis by application of t-test for two variables and Levene's test for equality of variances established the existence of statistically highly significant differences between respondents viewed by gender for question 16. As p-value is smaller than 0.05, it is concluded with the probability of 95% that there are significant differences between male and female respondents regarding question 16 in the sense that zero hypothesis is discarded and more strict criterion is used, starting from the assumption that variances are different in samples. By observing the values of standard deviations it is concluded that mean deviations of individual responses from the mean value are much higher in male respondents in comparison with women when it comes to more active dissemination of personal experience by interpersonal communication to other consumers that respondents know in comparison with other consumers that respondents do not know personally.

Table 6. Structure of responses to this question of those who identified themselves as opinion leaders in the initial question (answers with 4 and 5, i.e. with partial and full agreement)

		Frequency	%
valid	1.00	25	4.5
	2.00	30	5.4
	3.00	26	4.7
	4.00	163	29.3
	5.00	312	56.1
	Total	556	100.0

The obtained respondents' answers confirm that self-identified opinion leaders among the respondents really do act that way in the sense of their consumer interpersonal impact on their environment, where the sellers' attitude towards them is much more important for expressing this leadership than the quality of the purchased product or service, and that they are more prone to being leaders and influencing the behaviour of other consumers with whom they are in more solid and closer relationship. Opinion leadership is a predominantly human relation in its essence, which has a very significant economic dimension and implications.

CONCLUSIONS

One of the dominant characteristics of the modern business environment is a dramatic decline in the trust of consumers to all forms of advertising and marketing communication in general. They therefore increasingly turn to information sources that do not have this commercial dimension, above all friends and family. Interpersonal word of mouth communication has a greater impact on forming consumers' attitudes to products and services in comparison with other forms of communication.

Individual consumers, possessed of a higher level of knowledge of products and services, and the producers and suppliers thereof, are referred to as opinion leaders. These individual consumers, in most cases, already have the experience of purchasing and using the observed products and services, and therefore their word, due to its sincerity, has a much higher specific weight than any other commercial advertisement. They have no direct material interest in the sale and success of a business' product and service on the market. Potential customers see these specific individuals as the most reliable way of reducing the risk of making a wrong purchase decision.

Opinion leaders emerge in situations when other consumers are looking for products and services to buy, during possible trial and evaluation of these products and services, before they make the purchase decision. Opinion leaders are very often consumers who help the introduction and acceptance of new trends and behaviours on the market, so that they are often considered to be trendsetters. It must also be pointed out that not all consumers are equally susceptible to opinion leaders' personal influence. The most susceptible consumers to this influence are those who are otherwise oriented to others' opinions because they do not make independent purchase decisions for certain reasons, and also consumers without experience in the purchase of products and services. Opinion leaders speak about what was bought, why, how, and how it is used. In this way they direct the meaning, trust and attention of other consumers – followers. The characteristics possessed by opinion leaders are different for different markets and culturological environment, as well as different product categories, including, above all, expertise, social networking, charisma, energy, etc. However, studies so far have not established that

consumers' gender influences the manifestation of opinion leadership – both men and women can equally feature in the role of opinion leaders.

Businesses must be aware of the existence of these consumers and direct their marketing effort to them so as

to achieve business success. The phenomenon of opinion leadership is generally present on the market; its potential and real effects on the increase or decrease of a business' sale are extremely large, but it is a still insufficiently studied phenomenon which is hard to use and control within businesses.

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